

**MEMORANDUM
PLACER COUNTY HEALTH AND HUMAN SERVICES
Adult System of Care**

TO: Honorable Board of Supervisors

FROM: Jeffrey S. Brown, M.P.H., M.S.W., Director of Health and Human Services
Maureen F. Bauman, Director of Adult System of Care

DATE: April 8, 2014

SUBJECT: Approval of Joint Powers Authority Agreement for State Hospital Bed Usage

ACTION REQUESTED:

1. Approve the following actions regarding the usage of State hospital beds necessary for State-mandated services for specific persons with severe mental illness:
 - a. Approve Participation Agreement No. 117-2013-SHB-PC1 with the California Mental Health Services Authority (CalMHSA) from July 1, 2013 through June 30, 2017 to act jointly in contracting operational costs with the California Department of State Hospitals for access and use of State hospital bed resources in an amount not to exceed \$11,680 (\$5,840 net County cost);
 - b. Authorize the Director of Adult System of Care to sign this agreement as the approved designated representative on the Cal MHSA's Board of Directors; and
 - c. Authorize the Chair to sign the Memorandum of Understanding with the Department of State Hospitals that has been revised as a result of these negotiations.

BACKGROUND:

On October 6, 2009, the Board authorized Placer County to participate in the Joint Powers Authority (JPA) identified as California Mental Health Services Authority (CalMHSA). Subsequently, the Board supported the expanded focus of this JPA on May 7, 2013. This expansion went beyond those statewide programs funded through the Mental Health Services Act to all mental health and/or behavioral health programs as requested by the CalMHSA Board and the California Mental Health Directors Association (CMHDA). In addition, this Board authorized the expenditure of up to \$50,000 for projects that benefit Placer County through the use of the CalMHSA JPA.

Today's requested actions are a result of that expanded focus to behavioral health programs beyond the Mental Health Services Act. The Department of State Hospitals has traditionally established the terms and rates for the utilization of State hospital beds. Previously, individual counties have had limited success in changing the terms and rates of agreements of this contract with this Department (formerly the State Department of Mental Health). Placer and other counties have been concerned with the State's access to beds, indemnification between the State and counties, setting of bed rates and third party reimbursement. Counties have had no choice but to agree to terms in order to purchase necessary service to provide mandatory treatment. In addition, the rates for these beds increased 28 percent between FY 2011-12 and FY 2012-13 causing additional concern. For these reasons it was determined that the negotiations for the usage of State hospitals would benefit both the State and counties if all counties were represented by a single entity.

Negotiations between the State and participating counties through the CalMHSA JPA have resulted in an agreement that includes:

- mutual indemnification (not previously in the contract),
- no rate increase for FY 2013-14 and
- an effort by CalMHSA to explore alternatives to the State hospitals in the private sector.

Even though Placer County only uses two beds, the cost is significant and is currently estimated at \$450,410 each year. Participating in this JPA has already proven beneficial. If a 28 percent increase had been required from FY 2012-13 to FY 2013-14, expenses would have increased more than \$100,000.

The Placer County Mental Health, Alcohol, and Drug Advisory Board approved these contracts at its March 24, 2014 board meeting.

FISCAL IMPACT:

The costs associated with this contract are available in the current year with \$1,634 (50 percent) State funds and \$1,634 (50 percent) and will be requested in the proposed and next two budget years (three years total) for \$4,206 (50 percent) State and \$4,206 (50 percent) County General Funds. The actual cost of the two State hospital beds utilized by Placer County is currently \$450,410 budgeted with \$225,205 State funds and \$225,205 County General Funds.

These agreements are on file with the Clerk of the Board for review.